

## **GLOSSARY OF PAYROLL TERMS**

### **WORK DAY:**

A 24-hour period of time beginning at midnight and ending at 11:59 p.m.

### **BUSINESS DAY:**

Business days are Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays.

### **WORKWEEK:**

The work week is defined as a seven consecutive day period of time. The workweek for Service Area and Central Office employees begins on Saturday at 12:00 a.m. and ends Friday at 11:59 p.m.

### **ACTUAL HOURS WORKED:**

Refers to hours physically worked. Non-exempt employees are only eligible for overtime when they physically work more than 40 hours in a workweek. Leave hours including vacation, sick, comp time used are not considered actual hours worked. Holiday leave hours are counted as actual hours worked while hours worked on the holiday are not considered actual hours worked. This is due to a provision in the NAPE employee contract.

### **EXEMPT VERSUS NON-EXEMPT STATUS:**

Exempt status refers to employees ineligible under the Fair Labor Standards Act to earn overtime pay for working more than 40 hours in a workweek. Non-exempt status refers to employees eligible under the Fair Labor Standards Act to earn overtime pay for working more than 40 hours in a workweek. NOTE: non-exempt employees must have prior supervisory approval to work more than 40 hours in a week. If a supervisor does not allow overtime, it does not mean the employee is exempt. It means the supervisor is not allowing the non-exempt employee to work more than 40 hours in a week.

### **FTE (full-time equivalent):**

Refers to how an employee's hours worked each week compare to a full-time employee. An employee working 40 hours per week is considered full-time so her FTE would be 1.0. An employee working 20 hours per week is considered half-time so his FTE would be 0.50.

### **OVERTIME:**

Overtime is defined as any actual hours worked beyond 40 in a week either in cash or accumulated as compensatory time earned. Overtime hours are compensated at time-and-one-half. Only non-exempt employees are eligible to earn overtime. Kronos will automatically calculate overtime hours for non-exempt employees.

### **PRIOR APPROVAL OF OVERTIME:**

Non-exempt employees must receive prior approval to work overtime unless it is an emergency situation. If an emergency situation arises, the employee shall notify the supervisor as soon as possible that they worked beyond their normal schedule.

**PAYMENT OF OVERTIME HOURS:**

Non-exempt employees wishing to receive payment for any overtime hours must make that election using the comment field in Kronos. If no election is noted, the hours will be considered compensatory time and added to any compensatory time balance.

**ADJUSTED TIME:**

Adjusted time is available for supervisors to utilize if they know an employee has worked extra hours prior to the conclusion of the workweek, and the supervisor is able to allow the employee the opportunity to reduce their work hours in the remainder of the workweek to avoid overtime expenses. For example, if an employee works 10 hours on Monday, the supervisor may ask the employee to come in two hours late or leave two hours early later in the same week to ensure the hours even out to 40 for the week.

If the hours cannot be adjusted within the workweek, the actual hours worked beyond 40 are then calculated as overtime at time-and-one-half for any non-exempt employees.

Supervisors may also allow employees to adjust their time to reduce leave usage. For example, if an employee needs 2 hours off for a doctor's appointment, the supervisor could allow the employee to work an extra 2 hours sometime during the week so the employee does not have to use 2 hours of sick leave.

Employees may not have 40 hours or more of work in a workweek AND use leave time that same week. If an employee works extra hours in a week and also uses vacation or sick leave the same week, the vacation or sick leave hours must be reduced to avoid having more than 40 hours of pay in a week. For example, an employee works 9 hours per day Monday through Thursday and then takes a planned vacation day on Friday. Since the employee already had 36 hours of work through Thursday, they will only need to use 4 hours of vacation on Friday to account for their 40 hours that week. The employee would not be allowed to use a full 8 hours of vacation on Friday as that would amount to a vacation payout of 4 hours which is prohibited. Employees and supervisors are responsible for ensuring that no more than 40 hours are recorded each week unless the employee is approved to physically work more than 40 hours in the week and receive overtime for those hours.

In any adjusted time situations, the adjustment of hours MUST take place within the same workweek.

**QUARTER-HOUR INCREMENTS AND ROUNDED TIME:**

Employees must report work and leave time in quarter-hour increments rather than in actual minutes.

|            |   |            |
|------------|---|------------|
| 15 minutes | = | 0.25 hours |
| 30 minutes | = | 0.50 hours |
| 45 minutes | = | 0.75 hours |
| 60 minutes | = | 1.00 hours |

Since time must be recorded in quarter-hour increments, employees will need to round their work and leave time to the closest quarter-hour. For example:

|                       |   |           |
|-----------------------|---|-----------|
| 7:53 A.M. – 8:07 A.M. | = | 8:00 A.M. |
| 8:08 A.M. – 8:22 A.M. | = | 8:15 A.M. |

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|                       |   |           |
|-----------------------|---|-----------|
| 8:23 A.M. – 8:37 A.M. | = | 8:30 A.M. |
| 8:38 A.M. – 8:52 A.M. | = | 8:45 A.M. |
| 8:53 A.M. – 9:07 A.M. | = | 9:00 A.M. |

### **HOLIDAYS NOT WORKED:**

Holiday hours paid but not worked are counted as actual hours worked when calculating overtime. Example, a non-exempt employee receives 8 hours of holiday pay for the 4<sup>th</sup> of July (Tuesday) and works 10 hours on Monday, 8 hours on Wednesday, 8 hours on Thursday, and 8 hours on Friday. The 8 hours of holiday pay received for the 4<sup>th</sup> of July are counted in with the rest of this employee's work hours to total 42 actual hours worked for the week. The employee will then receive either compensatory time or pay at time-and-one-half for the 2 hours worked beyond 40 in the workweek.

### **WORK ON A HOLIDAY:**

Permanent non-exempt employees will be compensated at time-and-one-half for any hours worked on a holiday that are their normally scheduled hours. These hours do NOT count towards the 40 hours of actual work for overtime purposes since they are already being paid at time-and-one-half.

Permanent non-exempt employees working beyond their normally scheduled hours on a holiday will be compensated at two times their normal hourly rate. For example, a regular 8 to 5 employee who instead works 8 to 7 on the holiday will have 8 hours paid at time-and-one-half and 2 hours paid at two times. These hours also do NOT count towards the 40 hours of actual work for overtime calculation purposes since they are being paid at two times the employee's regular rate of pay.

### **ON-CALL HOURS:**

On-call refers to the non-work hours that an employee is designated as waiting to be engaged in work, or a ready-to-work status. Non-exempt employees receive 8% of their normal hourly wage for all hours in this status. It is the supervisor's responsibility to identify in writing to the employee when they are assigned to be in an on-call status. If no formal notice is given and there is no restriction on the employee's movement, then the employee is not considered to be on-call.

On-call hours begin at the time the employee leaves work and end at the time the employee returns to work. For an employee working an 8 a.m. to 5 p.m. shift, they would be in an on-call status from 5 p.m. to 8 a.m. the next day for a total of 15 hours on-call pay on weekdays. Employees will receive 24 hours of on-call pay for weekend days and holidays if they do not work on those days.

On-call hours plus worked hours on a weekday should never exceed 23 hours for employees with a 1-hour lunch break or 23.5 hours for an employee with a ½-hour lunch break. On-call hours plus worked hours should never exceed 24 hours on weekend days.

### **ON-CALL PHONE HOURS:**

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On-call phone hours refers to time that an employee in a designated on-call status spends on job related phone calls at home or outside normal work hours. These calls do not require the employee to leave their home. Hours spent on phone calls while in an on-call status are paid as regular work time. Employees will use the OCP (on-call phone) pay code in Kronos to report these hours.

Employees should keep track of the amount of time spent on job related phone calls as home while they are on call. If the total amount of calls handled do not total 15 minutes, the time spent on all calls should be rounded to 15 minutes (0.25 hours).

Time spent on phone calls is then deducted from the total time the employee is actually on-call. Employees cannot receive on-call pay and on-call phone pay for the same time period.

### **CALL-BACK HOURS (for NAPE-contract covered non-exempt employees only):**

Call-back hours refers to time worked when an employee is required to leave their home or other non-work related activity (e.g. grocery shopping) to respond to a job-related assignment. If the employee is called back to their normal work location, the call back pay would start at the time the employee reaches their work site and end when they leave the worksite to return home. If the employee is called out to a location other than their normal worksite to respond to agency business, the call back pay will start at the time the employee leave their residence and conclude when they return to their residence. The time actually spent on the call-back situation is referred to as call back hours actually worked. These hours will be coded in Kronos using pay type CLB.

Per the NAPE employee contract, employees are guaranteed a minimum of 2 hours of pay when they are called back to work. The remainder of the 2 hours that is not actually worked is referred to as call back hours not worked or as **call back entitlement pay**. That means that an employee who is called back to work and works less than 2 hours will receive pay for the remaining two hours at a straight time rate. For example, if an employee is called back to work and works 30 minutes, the 30 minutes would be coded as CLB for call back worked. The remaining 90 minutes of the 2-hour time frame would be coded as CBE for call back entitlement. These 90 minutes will be paid at a straight time rate. If an employee is called back and works more than two hours, all hours will be compensated as call back worked. No call back entitlement pay would be given in this situation.

Call back hours worked do count towards the employee's 40 hours of work in a week. If call back hours worked cause the employee to exceed 40 hours physically worked in a week, the hours over 40 would be compensable at a time-and-one-half rate. Call back entitlement hours do not count towards overtime hours.

Calls received after an employee leaves work but before the employee arrives home are not considered call-backs. These are considered contiguous to the normal working shift so time spent on such calls should be recorded as normal work time in Kronos.

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Employees are entitled to the two hour minimum each time they are called back to work unless the call back occurs within the first two hour call back period. For example, an employee is called back to work at 8 p.m. and works until 8:45 p.m. This would count as 0.75 hours call back worked and 1.25 hours call back entitlement. However, the employee is called back again at 9:45 p.m. and works until 10:30 p.m. Since the second call occurred within the 2-hour call back time frame of the first call, they do not start over with another two hour minimum period. They would get call back hours worked for both shifts totaling 1.5 hours worked. They would then get 0.50 hours of call back entitlement pay rather than getting 1.25 hours for each instance. If the second call back occurred more than 2 hours later, the two hour rule would start over. For example, employee is called back for a second time at 11 p.m. and works until 11:45 p.m. In this case, the employee would get 0.75 hours call back worked and 1.25 hours call back entitlement for the first call at 8 p.m. They would then get another 0.75 hours of call back worked and 1.25 hours call back entitlement for the second call at 11 p.m. In short, there must be a break between the first two hour guaranteed time and the second call back for a new two hour guaranteed time to begin.

Any questions about call back situations should be directed to Human Resources.